

BB chief wants changes in banking supervision

STAFF CORRESPONDENT, Chittagong

The Bangladesh Bank governor yesterday said he expects to see changes in the manner the central bank conducts banking supervision.

The banking regulator will constantly be more and more focused on risk, and less on routine tasks, as most of the supervisors of it are involved in the on-site inspection process, said Atiur Rahman.

"You'll be particularly interested in the changes we have planned in on-site supervision," he said at the inaugural session of a daylong workshop at the "Regional Town Hall Meeting" for the supervisors of the central bank's Chittagong and Sylhet offices.

The Department of Off-site Supervision, Dhaka and Bangladesh Bank, Chittagong jointly organised the workshop at Hotel Agrabad on "Promoting banking excellence and integrity at the branch level".

"Banking has changed and as banking regulators we must also change. The old assumptions,



Bangladesh Bank Governor Atiur Rahman speaks at inaugural session of a daylong workshop at the "Regional Town Hall Meeting" for the supervisors of the central bank's Chittagong and Sylhet offices at Hotel Agrabad in Chittagong yesterday.

old certainties and old procedures just aren't sufficient anymore," Rahman said.

There are risks and vulnerabilities in the country's banking sector, and the central bank has to work harder and work smarter to uncover these risks and promote

best practices in banks, he said.

"This is what we mean by promoting banking excellence."

Above all, best practices mean sound judgment in the granting of credit, lending to legitimate borrowers who have the ability and the intent to repay, he said.

Best practices also mean diligent monitoring of all credits through their life cycles, he said, adding that banks have to maintain an internal risk-rating system for all borrowers and monitor their ability and willingness to repay constantly.

"When you are visiting a bank branch as part of an inspection team, pay close attention to the branch management. Talk to them, listen to them, ask them questions. Assess their qualifications and assess their character," he said to the supervisors.

"In many cases, information about illegal or unethical activity taking place at a bank branch comes from lower-level employees. If you see something that looks wrong, in the loan files or anywhere at the branch, say something. Tell your supervisor."

Very often, illegal or unethical conduct by branch managers or staff is indicative of the same kind of conduct at the head office, Rahman said.

Abu Hena Md Razee Hasan, BB deputy governor; Mohammad Noushad Ali Chowdhury, executive director, and Masum Kamal Bhuiyan, Chittagong general manager, also spoke.

Glenn Tasky, BB banking supervision adviser, and Muhammad Allah Malik Kazemi, senior consultant, conducted the workshop.



NCC Bank Chairman Md Nurun Newaz Salim inaugurates an ATM booth of the bank on Elephant Road in Dhaka recently. Managing Director Mohammed Nurul Amin was also present.

New COO for Singer Bangladesh

STAR BUSINESS DESK

Sajidur Rahman Khan has recently been promoted as the director and chief operating officer of Singer Bangladesh, the company said in a statement yesterday.

Prior to the promotion, he was the marketing director of the company, according to the statement. Khan joined Singer in 1974.



Indonesia expo starts Thursday

STAR BUSINESS REPORT

The Indonesian embassy in Dhaka will organise a three-day exposition from March 22 to showcase the potential of the Southeast Asian nation, organisers said.

The exposition will showcase a wide variety of exhibits, including furniture, handicrafts, fashion accessories, lubricants, tyres, tiles, bathroom fittings, food and herbal cosmetics.

Traders from Indonesia and local importers will participate in the fair at Ruposhi Bangla Hotel.

Indonesia is also celebrating 40 years of diplomatic relationship with Bangladesh this year, Tri Wulandari, second secretary of the embassy, said yesterday.

The embassy will organise an Indonesian art, cultural and culinary festival on the evening of March 22.

The expo is meant to encourage businesspeople from Indonesia to explore the huge market potential in Bangladesh and increase the flow of tourists from Bangladesh to Indonesia, the embassy said in a statement.

Zet Mirzal Zainuddin, ambassador of Indonesia, was also present at the press briefing at the embassy



Abu Nasser Muhammad Abdus Zaher, chairman of Islami Bank Bangladesh Ltd, opens an ATM booth of the bank at its Majidee Court Branch in Noakhali recently. Md Abul Bashar, deputy managing director, was also present.



Syed Manzur Elahi, founding chairman of Mutual Trust Bank, speaks at a workshop on corporate governance for sustainable banks, at the Westin Dhaka Hotel yesterday. The International Finance Corporation organised the event that was attended by the directors and chairmen of private banks.

Foreign investment in DSE rises 27pc

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In 2010, the amounts were Tk 1,079.15 crore and Tk 1,755.74 crore.

Saifuddin said the account opening process for the foreign fund managers should be made easier and trading infrastructure should be friendly to increase their participation in Bangladesh.

Foreign investors have a lack of information on good stocks due to a dearth of quality research in Bangladesh, he said.

Saifuddin also said the custodian banks of most of the foreign fund managers have no membership of clearing house of the stock exchanges.

As a result, local brokers take risk of

settling trade of the foreigners, he added.

Free funding cost of the foreign fund managers is also an obstacle to increasing foreign investment in Bangladesh as it raises investment cost for them, said the IDLC boss.

He said foreign portfolio investment in Bangladesh is very low compared to other countries in Asia.

IDLC Securities is one of the leading portfolio managers that give stock brokerage services to foreign fund managers.

Goldman Sachs, an international asset management firm based in the USA, invested in Bangladesh through IDLC.

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Heavy buying spurs stocks

STAR BUSINESS REPORT

Stocks gained yesterday with high turnover, spurred by heavy buying into the market.

The benchmark General Index, DGEN, the yardstick of Dhaka Stock Exchange, closed at 4,625.99 points, after gaining 1.82 percent or 82.54 points.

The DGEN gained about 130 points within the first five minutes of trading and then declined steadily through the rest of the session.

"The market continued its momentum as the investors continued to buy shares optimistically," LankaBangla Securities said in its daily commentary.

The newly elected president of the Dhaka bourse is expected to work for improving the investment atmosphere of the market, it said. Rakibur Rahman was elected president of DSE on Thursday.

The increased turnover indicates that bullish buying outperformed the profit-taking sellers, the stockbroker said.

The fuel and power sector continue to lead the market rally in terms of gain and turnover leadership, a stockbroker said.

The banking sector had relatively lukewarm response to the market's upward movement, he said.

"Key attraction and momentum was in the fuel and power sector. The govern-

ment-owned fuel and power distribution companies were at the centre of attraction," said a merchant banker.

Investors were actively participating in trading, he said.

Turnover increased by 8.9 percent, compared to the previous day. A total of 1.14 lakh trades were executed, generating a turnover of Tk 404 crore with 8.50 crore shares and mutual fund units changing hands on Dhaka bourse.

Prices of 226 issues advanced, 26 declined and five remained unchanged.

All sectors gained yesterday except food and allied, which lost mainly as British American Tobacco Bangladesh Company retraced 2.34 percent.

Among the major sectors, telecoms advanced 3.66 percent, followed by non-bank financial institutions 2.67 percent and power 2.10 percent. Pharmaceuticals and banks gained 1.64 percent and 1.46 percent respectively.

The Selective Categories Index of the Chittagong Stock Exchange advanced 2.06 percent or 172.37 points, to end the day at 8,556.76.

Advancers beat losers 158 to 19 with nine securities remaining unchanged on the port city bourse that traded 1.14 crore shares and mutual fund units with Tk 46.46 crore in turnover.

Bangladesh Railway signs Tk 60cr deal with Indian firm

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Earlier, three deals were signed to procure coaches, locomotives and for the appointment of a consultant to construct rail bridges over Titas and Bhairab bridges.

A total of 12 projects have so far been approved for the railway under the credit.

Railways Minister Suranjit Sengupta, who was present at the signing ceremony, said the additional wagons and brake

vans would increase the strength of the railway. He hoped that the Indian company will supply the wagons and vans within the schedule.

Railway Secretary Fazle Elahi, Director General of Bangladesh Railway Abu Taher, Rail Adviser of Indian High Commission in Dhaka Chandrima Roy and other senior railway officials were present at the signing ceremony.



David Lee, chief operating officer of Citycell, launches a special customer service programme -- Grahok Sheba -- at Mohakhali in Dhaka yesterday. Citycell users will enjoy attractive offers at all customer care centres and customer care points of the mobile operator during the offer that ends on March 31.



BM Shahidul Haque, deputy general manager of the Karwan Bazar corporate branch of Pubali Bank, and Hafizur Rahman Khan, chairman of Runner Group, exchange documents after signing a deal in Dhaka recently to provide easy loans to farmers to buy agricultural equipment.



Farzana Chowdhury, additional managing director and group chief financial officer of Green Delta Insurance Company Ltd, and Shahid Uddin Akbar, chief executive officer of Bangladesh Institute of ICT in Development, sign a deal to introduce crop insurance for farmers, at a programme in Dhaka recently.